

Issue Brief – School Level Administration

STATE BOARD OF EDUCATION – MINIMUM SCHOOL PROGRAM – CHARTER SCHOOLS

PED IB-MSP 01

SUMMARY

Funding administrative functions within a charter school continues to represent one of the largest obstacles for a newly formed charter school to overcome. The Administrative Cost program in the Minimum School Program provides some assistance to districts and charter schools to support administrative functions. Further, the Legislature as appropriated additional funds to charter schools to supplement the MSP Administrative Cost formula program.

OBJECTIVE

This brief provides background information on charter school level administrative cost appropriations. Also included in this brief is information on a proposal to implement a charter school administrative cost formula within the Minimum School Program.

DISCUSSION AND ANALYSIS

Since the inception of charter schools, properly assimilating them into the established framework and formulas of the traditional public education system has been complex. The Minimum School Program – Administrative Cost program is one area where, although integrated with the traditional system, does not address the complexities of operating a charter school.

Minimum School Program Administrative Costs

The administrative cost formula was created to support school districts, especially districts with low enrollment, with administrative functions. The program allocates Weighted Pupil Units (WPU) to school districts based on their student population: fewer than 2,001 students allocates 53 WPU; 2,001 to 10,000 allocates 48 WPU; 10,001 to 20,000 allocates 25 WPU; and, over 20,000 allocates 16 WPU.

For the basis of Administrative Funding allocation, the State Board of Education determined that charter

schools should represent one school district. The Board provided details on Minimum School Program fund distributions to the Legislature.

In the early years, treating charter schools as one district didn't pose much of a problem because per student enrollments remained low. However, over the past several years as charter school enrollment has exceeded 10,000 students. This increased enrollment has impacted the ability of the administrative cost formula to adequately address the needs of charter school administration.

Impact on Charter Schools

The administrative cost formula assumes that as student population increases, a school district is better able to meet administrative functions without state support. However, each charter school manages administrative and finance procedures locally. As the entire charter school population

increases, the total administrative costs among the charter schools usually increases, not decreases, because more schools begin operation. Instead of having 53 WPU to split among 8 charter schools in the beginning, in FY 2006 39 charter schools will divide 25 WPU.

Administrative Cost Appropriation

During the 2005 General Session, the Legislature appropriated \$100,000 in Uniform School Funds to support school level administrative functions in the charter schools. The following intent language was passed by the Legislature:

It is the intent of the Legislature that the State Board of Education, in consultation with the State Charter School Board, distribute the \$100,000 ongoing Uniform School Fund revenue appropriated for charter school administration on an equalized per student basis as determined by actual fall enrollment count to charter schools that receive funding through the Minimum School Program – Administrative Cost Formula program.

Charter School Administrative Cost Program – \$2,029,200

Over the past two years, proposals have surfaced to address the decreasing per school allocation under the MSP Administrative Cost Formula Program. These proposals create a charter school specific administrative cost program. In most cases, the proposals provide a base WPU allocation per school, and provide additional WPUs based on school enrollment level. Schools with larger enrollments would receive more WPUs.

The goal of a charter school administrative cost formula program is to provide sufficient revenue enabling each charter school to hire a staff person to support the administrative functions (budgeting, reporting, student statistics) required of the school. Hiring a dedicated staff person may only be possible in the larger schools, but the program should allow smaller schools to hire a part-time staff person or enter into a contract for these services.

The proposal presented in this brief provides a base allocation to each charter school and an additional amount based on the school's enrollment. Under this proposal, each charter school would receive a base allocation of 10 Weighted Pupil Units. The current

value of the WPU is \$2,280, which would provide a base allocation of \$22,800 per school. To account for school size, this proposal allocates additional WPUs based on the student enrollment of a charter school. The scale provides at least one additional WPU for schools enrolling under 50 students and the scale maxes out with an additional 12 WPUs for schools enrolling more than 600 students. The amount of revenue allocated per school presented in this formula range from \$25,080 to \$50,160.

Appendix A provides additional information on school allocations as well as the allocation scale for additional WPUs based on school enrollment. The formula, as presented in Appendix A, estimates the total cost of the program at \$2,029,200. This formula proposal was generated based on the enrollments submitted by the State Charter School Board pursuant to UCA 53A-1a-513. This statute requires the State Charter School Board report estimated charter school enrollments for calculation of the Minimum School Program – Local Replacement Funding program.

Recommendation: The Analyst recommends that the subcommittee prioritize the proposed \$1,929,200 in Uniform School Fund revenue to create a Charter School Administrative Cost program within the Minimum School Program. Further, the Analyst recommends that the subcommittee request statutory language be included in the Minimum School Program implementing the program and excluding the charter schools from the current Administrative Cost Formula program.

As mentioned above, the Legislature appropriated \$100,000 in ongoing Uniform School Funds for charter school administration during the 2005 General Session. The Analyst recommends that the subcommittee transfer these funds to the Minimum School Program, reducing the total cost of the Charter School Administrative Cost Formula program by \$100,000, bringing the total cost of the program to \$2,029,200.

LEGISLATIVE ACTION

This section provides a guide of what actions might be taken if the Legislature wishes to adopt the recommendations made in this brief. The Analyst recommends the Legislature consider adopting:

1. \$1,929,200 in ongoing Uniform School Fund revenue to support the creation of a Charter School Administrative Cost Formula program within the Minimum School Program.
2. Transfer \$100,000 in ongoing Uniform School Fund revenue from the State Charter School Board to the Minimum School Program. This revenue was appropriated during the 2005 General Session for charter school administration.
3. Request that statutory language be included in the Minimum School Program Act to implement the Charter School Administrative Cost Formula program and exclude charter schools from the current Administrative Cost Formula in the Minimum School Program.

APPENDIX A

Public Education: Charter School Administrative Cost Formula
 10 WPU Base Amount Plus Enrollment

Charter School	Enrollment Estimate	WPU Value: \$2,280					
		Guarantee		Formula		Total	
		WPU's	Amount	WPU's	Amount	WPU's	Funding
Ogden Preparatory Academy	500	10.0	\$22,800	11.0	\$25,080	21.0	\$47,880
American Preparatory Acad.	530	10.0	22,800	11.0	25,080	21.0	47,880
Discovery	90	10.0	22,800	2.0	4,560	12.0	27,360
Freedom	413	10.0	22,800	9.0	20,520	19.0	43,320
AMES	423	10.0	22,800	9.0	20,520	19.0	43,320
CBA Center	29	10.0	22,800	1.0	2,280	11.0	25,080
Pinnacle Canyon Academy	364	10.0	22,800	8.0	18,240	18.0	41,040
City Academy	161	10.0	22,800	4.0	9,120	14.0	31,920
Success School	84	10.0	22,800	2.0	4,560	12.0	27,360
Soldier Hollow School	76	10.0	22,800	2.0	4,560	12.0	27,360
Tuacahn Performing Arts	207	10.0	22,800	5.0	11,400	15.0	34,200
Uintah River High	60	10.0	22,800	2.0	4,560	12.0	27,360
John Hancock	187	10.0	22,800	4.0	9,120	14.0	31,920
Thomas Edison	365	10.0	22,800	8.0	18,240	18.0	41,040
Timpanogas Academy	505	10.0	22,800	11.0	25,080	21.0	47,880
Salt Lake Arts Academy	253	10.0	22,800	6.0	13,680	16.0	36,480
Fast Forward High	218	10.0	22,800	5.0	11,400	15.0	34,200
NUAMES--WBR, DV, OG	377	10.0	22,800	8.0	18,240	18.0	41,040
Ranches--Alpine	360	10.0	22,800	8.0	18,240	18.0	41,040
DaVinci--Ogden	325	10.0	22,800	7.0	15,960	17.0	38,760
Summit--Jordan	536	10.0	22,800	11.0	25,080	21.0	47,880
Itineris--Jordan	124	10.0	22,800	3.0	6,840	13.0	29,640
North Davis Prep. Aca.	500	10.0	22,800	11.0	25,080	21.0	47,880
Moab Elem.	50	10.0	22,800	2.0	4,560	12.0	27,360
East Hollywood	317	10.0	22,800	7.0	15,960	17.0	38,760
Success Academy	250	10.0	22,800	6.0	13,680	16.0	36,480
UCAS	300	10.0	22,800	7.0	15,960	17.0	38,760
Lincoln Academy	492	10.0	22,800	10.0	22,800	20.0	45,600
Beehive Sci & Tech	150	10.0	22,800	4.0	9,120	14.0	31,920
Wasatch Peak Academy	350	10.0	22,800	8.0	18,240	18.0	41,040
North Star Academy	450	10.0	22,800	10.0	22,800	20.0	45,600
Thomas Edison South	284	10.0	22,800	6.0	13,680	16.0	36,480
Reagan Academy	675	10.0	22,800	12.0	27,360	22.0	50,160
American Achieve Aca/A Leadership	1,275	10.0	22,800	12.0	27,360	22.0	50,160
APA West Navigator Point	512	10.0	22,800	11.0	25,080	21.0	47,880
Odyssey	400	10.0	22,800	9.0	20,520	19.0	43,320
Early College	150	10.0	22,800	4.0	9,120	14.0	31,920
Entheos	450	10.0	22,800	10.0	22,800	20.0	45,600
Lakeview	525	10.0	22,800	11.0	25,080	21.0	47,880
Liberty	450	10.0	22,800	10.0	22,800	20.0	45,600
Monticello	675	10.0	22,800	12.0	27,360	22.0	50,160
Mountainville	675	10.0	22,800	12.0	27,360	22.0	50,160
Paradigm	500	10.0	22,800	11.0	25,080	21.0	47,880
Renaissance	600	10.0	22,800	12.0	27,360	22.0	50,160
So Ridge	675	10.0	22,800	12.0	27,360	22.0	50,160
Spectrum	150	10.0	22,800	4.0	9,120	14.0	31,920
Syracuse Arts	350	10.0	22,800	8.0	18,240	18.0	41,040
Washington Aca	450	10.0	22,800	10.0	22,800	20.0	45,600
Webster	525	10.0	22,800	11.0	25,080	21.0	47,880
Total	18,867	500	\$1,140,000	390.0	\$889,200	890.0	\$2,029,200

School Size	WPU's
0 to 50	1
50 to 100	2
100 to 150	3
150 to 200	4
200 to 250	5
250 to 300	6
300 to 350	7
350 to 400	8
400 to 450	9
450 to 500	10
500 to 600	11
600 +	12